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Letter dated 7 May 2002 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached report from the Federated States of Micronesia, submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I should be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman
Counter-Terrorism Committee

02-37395 (E) 280502

Annex to the letter dated 7 May 2002 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

Letter dated 2 May 2002 from the Secretary of the Department of Foreign Affairs of the Federated States of Micronesia addressed to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

I present my compliments and wish to transmit herein a report from the Federated States of Micronesia in response to United Nations Security Council resolution 1373 (2001) as follows:

Paragraph 1 (a)

What measures if any have been taken to prevent and suppress the financing of terrorist acts in addition to those listed in your responses to questions on 1 (b) to (d)?

Response

The Federated States of Micronesia enacted a comprehensive Money Laundering and Proceeds of Crime Act in December 2000. Implementing regulations have been drafted, but are awaiting review before adoption. Pending before Congress are the Foreign Evidence Act and the Transnational Extradition Act, both of which will assist the Federated States of Micronesia in its counter-terrorism efforts.

The Federated States of Micronesia has an active Banking Board that performs spot audits on all Federated States of Micronesia banks and is capable of intercepting activity involving suspected terrorists and organizations. The Department of Justice has established a protocol for regular notification to the Banking Board of the names of suspected terrorist individuals and organizations. No monies or accounts have been seized pursuant to such notification.

Moreover, all the banks in the Federated States of Micronesia are FDIC insured and two of the three banks are United States banks, which are also monitored by their main offices in Hawaii and Guam. The Federated States of Micronesia has yet to establish a Financial Intelligence Unit, primarily because of budgetary and capacity limitations.

The Congress of the Federated States of Micronesia has ratified and acceded to a number of international treaties and conventions concerning anti-terrorism, and legislation has been drafted to present to Congress for implementation of these anti-terrorism measures. The five conventions that Congress passed in a Special Session in 2002 are as follows:

- The International Convention for the Suppression of Terrorist Bombings (1997)
- The Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (1988)

- The Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1971)
- The Protocol on the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation (1988)
- The International Convention for the Suppression of the Financing of Terrorism (1999), (signed into law by the President of the Federated States of Micronesia on 12 November 2001).

Subparagraph (b)

What are the offences and penalties in your country with respect to the activities listed in this subparagraph?

Response

Proposed anti-terrorism legislation has been prepared for review by the Department of Justice. This legislation must be harmonized with existing Federated States of Micronesia laws, but will provide the enforcement mechanisms. Once this review is completed it will be introduced in Congress for expedited action.

Subparagraph (c)

What legislation and procedures exist for freezing accounts and assets at banks and financial institutions? It would be helpful if States supplied examples of any relevant action taken.

Response

The Federated States of Micronesia's money-laundering and proceeds of crime legislation provides the mechanism for the freezing and forfeiture of the proceeds of crime. Moreover, it is anticipated that additional procedures will be further detailed in the implementing regulations. Finally, the anti-terrorism legislation currently under review will provide additional penalties and procedures for freezing and forfeiture of proceeds from criminal action, including violations of the anti-terrorism laws.

Subparagraph (d)

What measures exist to prohibit the activities listed in this subparagraph?

Response

The Money Laundering Act makes money-laundering a felony, punishable by imprisonment for a maximum term of 10 years or a maximum fine of $100,000, or both; provided, however, that in the case of a corporation, company, commercial enterprise, commercial entity or other legal person, the maximum fine shall be increased to $500,000. Additional offences may be provided under anti-terrorism legislation, currently under review.

Operative paragraph 2

What legislation or other measures are in place to give effect to this subparagraph? In particular, what offences in your country prohibit

(i) recruitment to terrorist groups and (ii) the supply of weapons to terrorists? What other measures help prevent such activities?

Response

There currently are no laws prohibiting the recruitment to terrorist groups, although legislation is currently under review that would criminalize this conduct. The Federated States of Micronesia Constitution and statutes prohibit the importation or possession of handguns, and limit ownership of guns to .22 calibre rifles of a certain length, with a permit.

Subparagraph (b)

What other steps are being taken to prevent the commission of terrorist acts, and in particular, what early warning mechanisms exist to allow the exchange of information with other States?

Response

The Federated States of Micronesia has provided for the sharing of financial information through its Money Laundering Act. The Federated States of Micronesia Congress has yet to enact a Mutual Assistance Act, which was introduced into the 11th and 12th Congresses and which would provide for the sharing of information among States.

The Federated States of Micronesia is in a Compact of Free Association with the United States. The Law Enforcement Agreement, a subsidiary agreement under the Compact, provides for the sharing of information and assistance between the United States and the Federated States of Micronesia. The Federated States of Micronesia has also formed an executive task force on security issues, which is chaired by the Secretary of the Department of Justice and includes members from various government agencies, including national, state and local authorities. Information is shared among the agencies responsible for protecting the Federated States of Micronesia's borders, such as customs, immigration, quarantine and port authorities. The task force also determines what information is to be shared with other States, such action being undertaken by the Department of Foreign Affairs, which is also a member of the task force.

The Federated States of Micronesia Department of Justice and its departments, including the national police and Immigration and Labor, have established close working relations with neighbouring States and their agencies, particularly in the United States and the other Compact States of the Republic of the Marshall Islands and the Republic of Palau. Information is often shared on an informal basis with these States. The closest United States territory is Guam, where the Department of Justice has met regularly with the FBI and other United States law enforcement agencies to share information and establish close ties.

Finally, the President of the Federated States of Micronesia has issued numerous statements offering his strong support for the United States efforts to fight terrorism and he has committed the resources of the Federated States of Micronesia to join in this fight.

Subparagraph (c)

What legislation or procedures exist for denying safe haven to terrorists, such as laws for excluding or expelling the types of individuals referred to in this subparagraph? It would be helpful if States supplied examples of any relevant action taken.

Response

The Federated States of Micronesia's Division of Immigration and Labor closely regulates and monitors the entry and stay of all foreign nationals into the Federated States of Micronesia. Each vessel or aircraft entering the Federated States of Micronesia is subject to inspection. This includes those vessels travelling within the four states, which are subject to inspection at each port. There are six staffed offices in each of the Federated States of Micronesia's four states, and immigration stations on two of the more remote islands. The Division of Customs and Taxation also monitors all movement of people and goods into and within the country. Both agencies are on heightened alert to intercept and refuse entrance to any individual suspected of being connected to an identified terrorist organization. The immigration officers also do field work and spot check employers and foreign citizens to ensure that they have the lawful right to be in the country.

Following 11 September, the Department of Justice ordered all foreign fishing crews to remain in secured dock areas. This has met with mixed success, primarily because of the difficulty in securing port areas and the needs of the fishermen to purchase supplies and goods from local merchants. But the national and state police have increased their surveillance at the ports, and all foreign nationals found in security areas must provide proof of lawful entry.

The only airline serving the country, Continental Micronesia, a United States carrier, has been asked to provide in advance manifests at each stop within our country in order to assist with the screening of all passengers. This manifest is compared to the list of identified terrorists each day. Additionally, the Government of the Federated States of Micronesia is the recipient of a grant from the Government of Australia to install a computerized tracking system known as the Border Management System. Once installed, this system will enable the Federated States of Micronesia to more efficiently monitor the movement of people within and without the country and to share information with the United States and other neighbouring nations.

The Federated States of Micronesia will be adopting legislation shortly that will target terrorists and provide the legal mechanism to expel them.

Since 11 September, the Federated States of Micronesia has denied entry to a number of foreign nationals who were from regions known to harbour terrorism. Moreover, we have worked closely with law enforcement agencies in Guam and the Republic of the Marshall Islands to intercept suspected terrorists, even when they were merely transiting our region. Finally, the national police investigate every report of individuals' entry into the country with possible terrorist connections.

Subparagraph (d)

What legislation or procedures exist to prevent terrorists acting from your territory against other States or citizens? It would be helpful if States supplied examples of any relevant action taken.

Response

Law enforcement officers in the Federated States of Micronesia work closely with their counterparts in surrounding States, especially with connecting or transiting aircraft and vessels. Our immigration and customs officers are on heightened alert to monitor arrivals and departures. Counter-terrorism legislation will shortly be submitted to Congress, which will classify as a felony terrorist action against another State or its citizens.

Subparagraph (e)

What steps have been taken to establish terrorist acts as serious criminal offences and to ensure that the punishment reflects the seriousness of such terrorist acts? Please supply examples of any convictions obtained and the sentence given.

Response

The Federated States of Micronesia has drafted specific legislation that will be submitted to Congress for action once Department of Justice review is complete. There has been no terrorist act committed within the Federated States of Micronesia and no suspected terrorists have been arrested.

Subparagraph (f)

What procedures and mechanisms are in place to assist other States? Please provide any available details on how these have been used in practice.

Response

Pending before the Federated States of Micronesia Congress is a Mutual Assistance Act that will establish a procedure for seeking and providing assistance to other States. Currently, the Federated States of Micronesia provides assistance to the United States through operation of the Compact of Free Association's subsidiary law enforcement agreement. In practice, the Federated States of Micronesia relies on informal relations among our key law enforcement officers to share information and gain assistance from our neighbouring States, particularly the other two Compact States of the Republic of Palau and the Republic of the Marshall Islands.

Subparagraph (g)

How do border controls in your country prevent the movement of terrorists? How do your procedures for issuance of identity papers and travel documents support this? What measures exist to prevent their forgery, etc.?

Response

The main control agency is the Department of Justice's Division of Immigration and Labor. Each arrival is reviewed against the list of known terrorists

provided by the United States. This procedure is assisted through early review of plane manifests.

Immigration staff has been provided limited training on passport fraud and profiling; more is certainly needed. A software system for border management is due to be installed in the first half of 2002. This will provide assistance in identifying known terrorists. All work permits, passports and other entry documents are secured in a locked safe in the Department of Justice. The Federated States of Micronesia Public Auditor conducts periodic audits.

Operative paragraph 3

Subparagraph (a)

What steps have been taken to intensify and accelerate the exchange of operational information in the areas indicated in this subparagraph?

Response

The Federated States of Micronesia has provided the United States with detailed lists of security needs, including technical assistance, training and equipment needs.

Subparagraph (b)

What steps have been taken to exchange information and cooperate in the areas indicated in this subparagraph?

Response

The Federated States of Micronesia is cooperating with the United States in searching for suspected terrorists, assets and financial accounts. To date, none have been found in the Federated States of Micronesia.

Subparagraph (c)

What steps have been taken to cooperate in the areas indicated in this subparagraph?

Response

The Federated States of Micronesia has been cooperating with the United States in searching for suspected terrorists, assets and financial accounts. None have been identified in the Federated States of Micronesia to this date.

Subparagraph (d)

What are your Government's intentions regarding signing and/or ratifying the conventions and protocols referred to in this subparagraph?

Response

The Congress and the President of the Federated States of Micronesia have ratified five of the listed conventions and treaties against terrorism. The remaining ones are under review for consideration of transmittal to Congress for action.

Subparagraph (e)

Provide any relevant information on the implementation of the conventions, protocols and resolutions referred to in this subparagraph.

Response

The Federated States of Micronesia is challenged in implementing the conventions, protocols and resolutions referred to due to capacity and financial limitations. Needed is assistance with education between the implementing agencies and funding to develop systems to facilitate such implementation.

Subparagraph (f)

What legislation, procedures and mechanisms are in place for ensuring that asylum-seekers have not been involved in terrorist activity before granting refugee status? Please supply examples of any relevant cases.

Response

The Federated States of Micronesia does not have provisions in its immigration laws for granting refugee status, and we usually do not have asylum-seekers in our country. The Federated States of Micronesia's immigration statutes specify that absent a lawful basis for entering the country, all foreign individuals cannot stay and must leave. Over five years ago the State of Yap had three Vietnamese refugees, fleeing a camp in Thailand, land on their shores. The Federated States of Micronesia is working with the Office of the United Nations High Commissioner for Refugees to secure their return to Viet Nam.

Subparagraph (g)

What procedures are in place to prevent the abuse of refugee status by terrorists? Please provide details of legislation and/or administrative procedures which prevent claims of political motivation being recognized as grounds for refusing requests for the extradition of alleged terrorists. Please supply examples of any relevant cases.

Response

Federated States of Micronesia law does not allow "refugee" status. Any individual arriving in the Federated States of Micronesia seeking refugee status must immediately depart, or risk detention while efforts are made to certify their status through the United Nations. Additionally, legislation more clearly defining this will shortly be drafted and presented to the Federated States of Micronesia Congress for action.

(*Signed*) Ieske K. **Iehsi**
Secretary
Department of Foreign Affairs